## VICENTE GONZALEZ 15TH DISTRICT, TEXAS

#### COMMITTEE ON FINANCIAL SERVICES

SUBCOMMITTEE ON CAPITAL MARKETS, SECURITIES, AND INVESTMENT

SUBCOMMITTEE ON HOUSING AND INSURANCE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

# Congress of the United States House of Representatives Washington, DC 20515-4315

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November 28, 2017

The Honorable Ajit Pai Chairman Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

Dear Chairman Pai:

I am writing you today on behalf of hundreds of constituents of the 15th District of Texas who have contacted me just within the last few days regarding the issue of Net Neutrality being considered by the Federal Communications Commission (FCC). These individuals took time over the Thanksgiving holiday to voice their opposition to your plan.

During the past few months, I have followed these issues carefully and have reviewed some of the comments made by you and other FCC leadership. It is alarming that throughout the course of your deliberations, one must look far and wide for advocates of your proposal. Additionally, I have not heard from a single constituent in South Texas who is in favor of giving up Net Neutrality.

It appears you are prepared to lead the FCC in a direction towards Net Favoritism instead of Net Neutrality, against the weight of the evidence, past experience, and even against public interest. Changing how people view, receive, and pay for internet use via Net Neutrality will more than likely allow large internet companies to begin charging service fees for downstream providers, which will in turn be passed on to consumers.

You have proclaimed that the end of Net Neutrality is to the benefit of small business, but I strongly disagree with this assessment. Never mind the hundreds of messages, letters, and communications from small businesses stating the exact opposite: that Net Neutrality will hurt them and force them to pay additional fees to an internet service provider (ISP) to display their website with proper speeds after lifting internet neutrality. You have cited Facebook, Amazon, and Google, which allege to have flourished under the "light-touch" rules, as they are known at the FCC. Recently, the Google Wallet app was blocked by a competitor with an ISP through a competing app, which you called an "outlying" example.

Finally, you have asserted that small businesses could help connect rural communities to the internet highway. Even knowing that small internet and telecom companies essentially rent their use of the network owned by the largest of all telecom companies. And while a quarter of a billion dollars is a drop in the bucket towards expanding the internet, my question to you is, 'do you think it will come from small firms?' The definite losers in this battle are the startup enterprises, the mom and pop shops, and the entrepreneurs - those who are not yet robust enough to weather the blow of these grave changes.

I request that you reconsider your position and that you do the right thing: keep Net Neutrality in place so consumers and small businesses can continue to have access to affordable and accessible internet.

Should you have any questions, or wish to discuss this with me in greater detail, please contact me at (202) 225-2531.

Sincerely,

Vicente Gonzalez

Member of Congress

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# FEDERAL COMMUNICATIONS COMMISSION WASHINGTON

April 24, 2018

The Honorable Vincente Gonzalez U.S. House of Representatives 113 Cannon House Office Building Washington, D.C. 20515

### Dear Congressman Gonzalez:

Thank you for your letter regarding the *Restoring Internet Freedom Order*, which reestablished the authority of the Federal Trade Commission to oversee the network management practices of Internet service providers while returning to the light-touch legal framework that governed such practices for almost twenty years.

At the dawn of the commercial Internet in 1996, President Clinton and a Republican Congress agreed that it would be the policy of the United States "to preserve the vibrant and competitive free market that presently exists for the Internet . . . unfettered by Federal or State regulation." This bipartisan policy worked. Encouraged by light-touch regulation, the private sector invested over \$1.5 trillion to build fixed and mobile networks throughout the United States. Innovators and entrepreneurs grew startups into global giants. America's Internet economy became the envy of the world.

Then, in early 2015, the FCC jettisoned this successful, bipartisan approach to the Internet and decided to subject the Internet to utility-style regulation designed in the 1930s to govern Ma Bell. This decision was a mistake. For one thing, there was no problem to solve. The Internet wasn't broken in 2015. We weren't living in a digital dystopia. To the contrary, the Internet had been a stunning success.

Not only was there no problem, this "solution" hasn't worked. The main complaint consumers have about the Internet is not and has never been that their Internet service provider is blocking access to content. It's that they don't have access at all or enough competition between providers. The 2015 regulations have taken us in the opposite direction from these consumer preferences. Under Title II, annual investment in high-speed networks declined by billions of dollars—the first time that such investment has gone down outside of a recession in the Internet era. And our recent Broadband Deployment Report shows that the pace of both fixed and mobile broadband deployment declined dramatically in the two years following the *Title II Order*.

Returning to the legal framework that governed the Internet from President Clinton's pronouncement in 1996 until 2015 is not going to destroy the Internet. It is not going to end the

Internet as we know it. It is not going to undermine the free exchange of ideas or the fundamental truth that the Internet is the greatest free market success story of our lifetimes.

By returning to the light-touch Title I framework, we are helping consumers and promoting competition. Broadband providers will have stronger incentives to build networks, especially in unserved areas, and to upgrade networks to gigabit speeds and 5G. This means there will be more competition among broadband providers. It also means more ways that companies of all kinds and sizes can deliver applications and content to more users. In short, it's a freer and more open Internet.

The *Restoring Internet Freedom Order* also promotes more robust transparency among ISPs than existed three years ago. It requires ISPs to disclose a variety of business practices, and the failure to do so subjects them to enforcement action. This transparency rule will ensure that consumers know what they're buying and that startups get information they need as they develop new products and services.

Moreover, we reestablish the Federal Trade Commission's authority to ensure that consumers and competition are protected. Two years ago, the *Title II Order* stripped the FTC of its jurisdiction over broadband providers by deeming them all Title II "common carriers." But now we are putting our nation's premier consumer protection cop back on the beat.

In sum, Americans will still be able to access the websites they want to visit. They will still be able to enjoy the services they want to enjoy. There will still be regulation and regulators guarding a free and open Internet. This is the way things were prior to 2015, and this is the way they will be in the future.

I appreciate your interest in this matter. Your views are important and will be entered into the record of the proceeding. Please let me know if I can be of any further assistance.

Sincerely

Ajit V. Paj